Fast Facts about California-Canada Trade Relations Compiled by: Assembly Committee on Jobs, Economic Development, and the Economy Jose Medina, Chair

Canada is the largest trading partner of the U.S., and the second largest export market of California-made goods. Canadian exports to California were valued at \$26.3 billion in 2013. In the same year, California exported \$18.8 billion worth of goods and services to Canada.

Profile of Canada

- In 2013, Canada had a population of 35.2 million people, which was less than the population of the state of California (38.3 million) in the same year. 5
- Approximately 90% of the Canadian population is concentrated within 160 km (100 miles) from the U.S. border.⁶
- Canada is the second-largest country in the world based on total area with 3.8 million square miles, which is slightly larger than the U.S (3.7 million square miles).
- Toronto is the largest urban center in Canada with a population of 5.4 million people, which is smaller than the population of New York City (8.4 million). Other major urban areas in Canada include: Montreal (3.8 million), Vancouver (2.2 million), Calgary (1.2 million), and Canada's capitol Ottawa (1.2 million).
- English and French are the two official languages of Canada. In 2011, people who only spoke English at home made up of 58% of the population, while those who only spoke French at home made up 18.2% of the population. Other spoken languages in Canada include: Punjabi, Italian, Spanish, German, and Cantonese.

Overview of Canada's Economy

- In 1994, Canada together with the U.S. and Mexico signed the North American Free Trade Agreement. In 2008, all remaining duties and quotas were eliminated as scheduled. 10
- In 2013, Canada's GDP was \$1.5 trillion, 11 as compared to California's \$2.2 trillion economy, in the same period. 12
- In 2013, Canada's GDP per capita was \$43,100. Countries with similar GDP per capita include: the Netherlands (\$43,300), Australia (\$43,000), and Austria (\$42,600). For comparison, U.S. GDP per capita was \$52,800 in 2013.¹³
- In 2013, Canada's GDP was comprised of: The service sector (69.9%), industry (28.4%), and agriculture (1.7%). For comparison, in 2013, U.S. GDP was comprised of: The service sector (79.4%), industry (19.5%), and agriculture (1.1%). ¹⁴
- Canada's unemployment rate increased from 6.6% in 2013 to 7.1% in June of 2014. For comparison (when using U.S. measuring methods), the unemployment rate in Canada was the same as the U.S. (6.1%) in June of 2014. ¹⁵
- In 2013, Canada's total exports of goods were valued at \$438.8 billion, while total imports of goods were valued at \$445.5 billion. 16
- Top five Canadian commodities exported in 2013 include: Energy products (crude oil/natural gas) at \$103.8 billion, metal ores and metallic products at \$65.7 billion, motor vehicles and parts at \$62,391 billion, consumer goods (food, clothing, pharmaceutical products, and miscellaneous goods) at \$47,734 billion, industrial chemical and plastic-rubber products at \$31,935.
- Top five commodities imported to Canada in 2013 include: Consumer goods (food, clothing, pharmaceutical products, and miscellaneous goods) at \$89,468 billion, motor vehicles and parts at \$77,825 billion, electrical equipment and parts at \$51,779 billion, industrial machinery and parts at \$41,541, and energy products (crude oil/natural gas) at \$40,073.

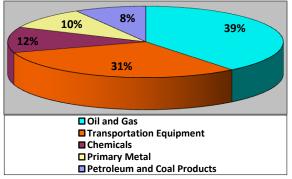
California and World Markets (For Comparison)

- California exported \$168 billion in products in 2013. 19
- California's top export markets in 2013 were: Mexico (\$23.9 billion); Canada (\$18.9 billion); China (\$16.3 billion); Japan (\$12.7 billion); and South Korea (\$8.4 billion).²⁰
- California's top five exports in 2013 were: Computer & Electronic Products (\$42.4 billion); Transportation Equipment (\$17.7 billion); Machinery, Except Electrical (\$15.1 billion); Miscellaneous Manufactured Commodities (\$14.6 billion); and Agricultural Products (\$13.8 billion).²¹
- California's top import markets in 2013 were: China (\$130 billion); Japan (\$38.3 billion); Mexico (\$36.2 billion); Canada (\$26.3 billion); and South Korea (\$13 billion).²²
- In 2013, California imported \$381 billion in products.²³ California's top five imports in 2013 were: Vehicles, Spark Ignition (\$31.7 billion); Crude Oil from Petroleum (\$29.5 billion); Automatic Data Process Machines (\$18.6 billion); Motor Cars for Transportation (\$15 billion); and Machines for Voice, Images, or Data (\$11.5 billion).²⁴

Canada and U.S. Trade Relations

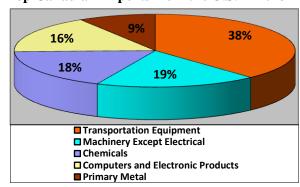
- Canada was the largest recipient of U.S. exports in 2013, which was valued at \$300.3 billion (19% of total U.S. export). ²⁵
- Canada was the second largest importer of U.S. goods in 2013, which was valued at \$332.1 billion (14.6% of total U.S. import). ²⁶
- U.S exports to Canada exceeded total U.S. exports to China, Japan, South Korea, and Singapore combined in 2013.²⁷
- The bilateral trade relationship between the U.S. and Canada is the largest and most extensive in the world. Canada exports more goods to the state of Michigan than it does to the European Union.²⁸
- Since the Canada-U.S. Free Trade Agreement came into force in 1989, two-way trade with the U.S. has more than tripled, where \$1.4 million of goods and services exchanged every minute.²⁹
- There are on average 300,000 people who cross the U.S.-Canada border every day, while 8,000 trucks cross the Windsor-Detroit border every day. ³⁰

Top Canadian Exports to the U.S. in 2013



Source: International Trade Adminstration

Top Canadian Imports from the U.S. in 2013



Source: International Trade Adminstration

- Top 5 Canadian commodities exported to the U.S. in 2013 include: Oil and Gas at \$87.6 billion (26.4%), Transportation Equipment at \$68.6 billion (20.6%), Chemicals at \$26 billion (7.8%), Primary Metal at \$22 billion (6.7%), Petroleum and Coal Products at \$18.7 billion (5.6%).
- Top 5 commodities Canada imported from the U.S. in 2013 include: Transportation Equipment at \$64.3 billion (21.3%), Machinery Except Electrical at \$31.1 billion (10.3%), Chemicals at \$30 billion (10%), Computers and Electronic Products at \$27.9 billion (9.3%), and Primary Metal at \$15 billion (4.9%). 32
- The U.S. is Canada's primary source of foreign direct investment (FDI) with stock totaled at \$368 billion in 2013.³³

- Canada's FDI in the U.S. totaled \$281 billion in 2013, making it the third largest FDI investor. 34
- There are 8 million U.S. jobs that depend on trade and investment with Canada.³⁵
- In 2010, Canadian companies expanded to over 17,000 locations in the U.S. and employed 619,000 Americans.³⁶

Canada and California Trade Relations

- Bilateral trade between Canada and California reached \$45.2 billion in 2013, where California exported \$18.8 billion worth of goods to Canada, and imported \$26.3 billion worth of goods from Canada. ³⁷
- In 2010, there were approximately 1,121,300 California jobs that depended on trade with Canada, and 41,200 Californians were employed by Canadian-owned businesses.³⁸
- In 2013, top five California products exported to Canada include: Computer and Electronic Products at \$5.5 billion (29.4%), Agricultural Products at \$2.6 billion (13.8%), Transportation Equipment at \$1.7 billion (9.2%), Food Manufactures at \$1.2 billion (6.6%), and Machinery Except Electrical at \$949.5 million (5%).
- Canada exported \$22.8 billion in goods to California including Transportation (57%), Energy (9%), Agriculture (9%), Equipment and Machinery (6%), Chemicals (4%), Minerals and Metals (4%).
- In 2012, 1.8 million Canadians visited California and spent \$1.5 billion. Californian visitors to Canada numbered 955 thousand and spent \$603 million in the same year. 41
- Utilizing the Silicon Valley as a technological innovation hub with a vibrant entrepreneur culture, Canada has chosen the San Francisco-Bay Area to establish the Canadian Technology Accelerator in order to promote and assist its companies in the fields of information and communications technology, digital and social media gaming, clean technology, and life sciences.
- One example of infrastructure cooperation between the Bay Area and Canada is the \$897 million dollar contract between the Bay Area Rapid Transit District and the Canadian company Bombardier, where 410 metro cars will be manufactured using at least 60% U.S content requirement while generating additional American jobs and opportunities for local economic growth.
- In Southern California, many Canadian firms in the Los Angeles and San Diego urban areas are large providers of electronics, telecommunications, and aerospace technologies. One notable Canadian electronic firm, Moment Factory, provided high imagery video panels and multimedia systems to the Bradley International Terminal at the Los Angeles International Airport for flight information and recreational purposes. Other Canadian tech companies such as QuickPlay Media, which located in San Diego, is a supplier of multimedia and video content services to major telecommunication corporations such as AT&T, Bell, and Samsung.⁴⁴
- Many Canadian firms in Southern California are suppliers of high-tech precision parts to major global corporations, and one example is the company Omni-Lite Industries Canada. It has invested \$30 million in equipment, infrastructure, and an additional \$20 million into the local economy to provide products for major conglomerates such as Boeing, Airbus, Ford, Caterpillar, Bosch, and Nike.

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